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C O N F I D E N T I A L SECTION 01 OF 02 SARAJEVO 001040

SIPDIS

DEPT FOR EUR/SCE (HYLAND, FOOKS)

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TAGS: PREL PGOV PINR KDEM ELTN BK

SUBJECT: BOSNIA - CROAT MINISTERS WALK OUT OF FEDERATION

GOVERNMENT

REF: A. 08 SARAJEVO 1685 ¶B. SARAJEVO 934

Classified By: Charge d, Affaires Jonathan Moore. Reasons 1.4 (b) and (d).

 $\P1.$  (C) SUMMARY: Frustrated by a vote in the Federation government to change the planned route of the Bosnian portion of the 5C Corridor highway (Ref A), four of the five ethnic Croat Ministers in the government of the Federation of BiH (FBiH) walked out of the government session on August 27. All nine Bosniak ministers had voted to change the route, fully outvoting the four Croats, who all had voted against. Dragan Covic's Croatian Democratic Union (HDZ)-BiH will convene on September 5 to decide on further action, whereas Bozo Ljubic's HDZ-1990 has already categorically rejected the notion of returning to future government sessions until Ministers can arrive at a more favorable conclusion. This incident highlights escalating Croat frustration with perceived underrepresentation at all levels of government, and -- given Bosniak leader Sulejman Tihic's increasing, publicly stated mistrust of Covic -- it may well complicate our efforts to encourage their compromise on constitutional reform and other key issues. END SUMMARY.

Changes to 5C Pass, Croats Walk Out

 $\underline{\mathbf{1}}$ 2. (SBU) On August 27, the FBiH government passed, by a vote of nine (all Bosniaks) to four (all Croats), a decision to change the planned route of the Bosnian portion of the 5C Corridor (Ref A). (Note: The lone Serb Minister in the FBiH government abstained from voting. End Note.) The decision entailed moving some segments of the proposed route 500 meters to preserve the historic cities of Pocitelj and Blagaj, near Mostar. Angry at having been outvoted, the four Croat ministers left the government session and announced their intention not to return to future sessions until a more favorable agreement could be reached. Bosniak media speculate that these Ministers are reacting so strongly because the change in the highway's location prevents BiH Finance Minister Dragan Vrankic (HDZ-BiH) and other Croat officials from selling their land to the government at a considerable price.

Government Can Still Operate

13. (C) FBiH Government Secretary Ismet Trumic told the press that the withdrawal of these four Ministers will not cripple the functioning of the government, as the Rules of Procedure and the FBiH Constitution do not call for a quota of representatives of all ethnic groups in the government, but only a quorum of all Ministers for an item to pass. (Note: Trumic's statement is accurate, which means that the FBiH government is essentially devoid of ethnic protections. After an item passes in the government, it moves to the FBiH Parliament, where the only ethnic protection is the vital national interest veto in the House of Peoples, the Parliament's upper chamber. It would be difficult for the Croats to justify the 5C Corridor project as an issue of vital national interest. End Note.)

## Croats Consider Next Steps

14. (SBU) HDZ-BiH spokesman Miso Relota stated that the party presidency will meet on September 5 to determine whether the HDZ-BiH ministers should simply boycott all government sessions or withdraw completely from the Federation government. Meanwhile, HDZ-1990 officials have definitively stated that they will boycott all sessions until the parties reach an agreement on the Corridor, as well as on "all strategic matters necessary to avoid similar situations in the future." Josip Peric, HDZ-1990 member and Speaker of the FBiH House of Peoples, declared publicly that he plans to convene a meeting of representatives of all Croat parties in the government and Parliament before the next FBiH Parliament session, which has yet to be scheduled.

## Comment

 $\underline{\textbf{1}}$ 5. (C) Walk-outs are not a new concept in the Federation SARAJEVO 00001040 002 OF 002

government, although the last one occurred more than four years ago. This particular case, though, is concerning because it reflects growing Croat frustration due to perceptions of underrepresentation in Federation and state institutions, as well as the stalemate over the mayoral position in Mostar (Ref B). Moreover, Tihic's exasperation with Covic, which he has conveyed publicly, may well prevent Tihic from extending the olive branch in the near term. If so, this will certainly complicate efforts to foster compromise on constitutional reform and other key issues Bosnian leaders are facing. If Tihic and Covic do not make amends, the only winners in this spat will be conservative Bosniak leader Haris Silajdzic and Serb leader Milorad Dodik. MOORE